

MAINE STATE LEGISLATURE

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L.D. 1012

Date: 5/6/11

(Filing No. H-202)

INSURANCE AND FINANCIAL SERVICES

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 748, L.D. 1012, Bill, "An Act To Require a Mortgagee To Provide the Original Release of Mortgage to the Mortgagor after the Release Is Recorded"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 33 MRSA §551, 2nd ¶, as enacted by PL 1999, c. 230, §1 and affected by §2, is amended to read:

Within 60 days after full performance of the conditions of the mortgage, the mortgagee shall record a valid and complete release of mortgage together with any instrument of assignment necessary to establish the mortgagee's record ownership of the mortgage. Within 30 days after receiving the recorded release of the mortgage from the registry of deeds, the mortgagee shall send the release by first class mail to the mortgagor's address as listed in the mortgage agreement or to an address specified in writing by the mortgagor for this purpose. As used in this paragraph, the term "mortgagee" means both the owner of the mortgage at the time it is satisfied and any servicer who receives the final payment satisfying the debt. If a release is not transmitted to the registry of deeds within 60 days, the owner and any such servicer are jointly and severally liable to an aggrieved party for damages equal to exemplary damages of \$200 per week after expiration of the 60 days, up to an aggregate maximum of \$5,000 for all aggrieved parties or the actual loss sustained by the aggrieved party, whichever is greater. If multiple aggrieved parties seek exemplary damages, the court shall equitably allocate the maximum amount. If the release is not sent by first class mail to the mortgagor's address as listed in the mortgage agreement or to an address specified in writing by the mortgagor for this purpose within 30 days after receiving the recorded release, the mortgagee is liable to an aggrieved party for damages equal to exemplary damages of \$500. The mortgagee is also liable for court costs and reasonable attorney's fees in any successful action to enforce the liability imposed under this paragraph. The mortgagee may charge the mortgagor for any recording fees incurred in recording the release of mortgage and any postage fees incurred in sending the release to the mortgagor.'

COMMITTEE AMENDMENT

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SUMMARY

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This amendment requires that the mortgagee must send the release of mortgage

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within 30 days after receipt of the release from the registry of deeds rather than within 30

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days of recording the release in the registry of deeds. The amendment also requires that

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the release be sent by first class mail to the mortgagor rather than by certified mail.